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PTQ5174

RELEASED IN PART
B1, 1.4(D)

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ACTION WHA-00

INFO	LOG-00	NP-00	AID-00	CEA-01	CIAE-00	CTME-00	INL-00
	DINT-00	DODE-00	DOT-00	PERC-00	SRPP-00	DS-00	EB-00
	EXIM-01	E-00	FAAE-00	VC-00	FRB-00	H-01	TEDE-00
	INR-00	ITC-01	LAB-01	L-00	VCE-00	AC-01	NSAE-00
	OES-00	OMB-01	OPIC-01	PA-00	PM-00	PRS-00	ACE-00
	P-00	SP-00	IRM-00	SSO-00	STR-00	TRSE-00	USIE-00
	EPAE-00	PMB-00	DSCC-00	PRM-00	DRL-02	G-00	NFAT-00
	SAS-00	/010W					

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O 062253Z DEC 02
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC IMMEDIATE 8871
INFO OPEC COLLECTIVE
AMEMBASSY BOGOTA
AMEMBASSY BRASILIA
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY MEXICO
AMEMBASSY PORT OF SPAIN
AMEMBASSY QUITO
DEPT OF COMMERCE WASHDC
DEPT OF ENERGY WASHDC
NSC WASHDC

C O N F I D E N T I A L SECTION 01 OF 03 CARACAS 003907

NSC FOR LLORENS

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PAGE 02 CARACA 03907 01 OF 03 062351Z
ENERGY FOR DAVID PUMPHREY, ANDREA LOCKWOOD, MICHELLE
BILLIG, AND BART MARCOIS

E.O. 12958: DECL: 12/06/2012
TAGS: EPET, PGOV, ECON, VE
SUBJECT: PDVSA: DAY FIVE OF THE GENERAL STRIKE

REF: CARACAS 3891

CLASSIFIED BY: DEPUTY CHIEF OF MISSION FREDERICK B. COOK, REASONS 1.5 (B) AND (D)

SUMMARY

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1. (C)

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STATE-OWNED OIL CONCERN PETROLEOS DE VENEZUELA (PDVSA) HAS VIRTUALLY CEASED OPERATIONS. THE PARAGUANA AND PUERTO LA CRUZ REFINING COMPLEXES HAVE SHUT DOWN AND EL PALITO IS BELIEVED TO HAVE BEGUN SHUTDOWN PROCEDURES. ONE TANKER SAILED DECEMBER 6, BUT NO OTHER CONTAINERS ARE NOW LOADING. PDVSA HAS REPORTEDLY CLOSED WELLS PRODUCING SOME 400,000 BARRELS PER DAY (B/D) IN THE WEST (MARACAIBO) AND EXPECTS TO CLOSE MORE DUE TO LACK OF STORAGE/EXPORT FACILITIES. A U.S. INDUSTRY SOURCE REPORTS THAT 600-800,000 BARRELS OF OIL PRODUCTION HAVE BEEN SHUT IN IN THE EAST ON DECEMBER 6. DOMESTIC FUEL SHORTAGES ARE BECOMING CRITICAL ALTHOUGH THERE ARE REPORTS LATE ON DECEMBER 6 THAT THE GOV IS FORCING CARRIERS TO TRANSPORT GASOLINE.

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END SUMMARY.

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MILITARY TAKEOVER OF PDVSA?

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4. (C) PRESIDENT CHAVEZ ORDERED THE ARMED FORCES TO TAKE
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CONTROL OF PDVSA INSTALLATIONS NATIONWIDE ON DECEMBER 5
ACCORDING TO PRESS REPORTS. THE NATIONAL GUARD (WHICH IS
NORMALLY TASKED WITH PROVIDING SECURITY AT OIL FACILITIES
NATIONWIDE) IS IN PLACE AROUND ALL PDVSA FACILITIES. BUT IT
IS HIGHLY QUESTIONABLE THAT THE MILITARY CAN DO ANYTHING
MEANINGFUL TO KEEP THIS COMPLEX INDUSTRIAL SYSTEM
OPERATIONAL. IN FACT, NEWSPAPER SOURCES IN MARACAIBO REPORT
THAT THE NATIONAL GUARD TRIED TO TAKE OVER OPERATION OF THE
BAJO GRANDE REFINERY SEVERAL DAYS AGO. AFTER CAUSING A FUEL
SPILL, THEY REPORTEDLY RETURNED OPERATION OF THE FACILITY TO
PDVSA. THE MILITARY IS REPORTED TO BE MAKING GASOLINE
DELIVERIES TO SERVICE STATIONS.

OIL PRODUCTION

5. (C) PDVSA HAS BEGUN THE PROCESS OF SHUTTING IN OIL
PRODUCTION. INDEPENDENT OIL OPERATORS [REDACTED]
[REDACTED] HAVE RECEIVED COMMUNICATIONS FROM PDVSA DECLARING
FORCE MAJEURE AND REQUESTING THEM TO STOP FURTHER PRODUCTION.

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INDUSTRY SOURCES REPORT THAT PDVSA HAS CLOSED WELLS
PRODUCING SOME 400,000 B/D IN THE WEST (MARACAIBO) AND
EXPECTS TO CLOSE MORE DUE TO LACK OF STORAGE/EXPORT
FACILITIES. [REDACTED] INFORMED ECONOFF THAT THEIR [REDACTED]

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ACTION WHA-00

INFO	LOG-00	NP-00	AID-00	CEA-01	CIAE-00	CTME-00	INL-00
	DINT-00	DODE-00	DOTE-00	PERC-00	SRPP-00	DS-00	EB-00
	EXIM-01	E-00	FAAE-00	VC-00	FRB-00	H-01	TEDE-00
	INR-00	ITC-01	LAB-01	L-00	VCE-00	AC-01	NSAE-00
	OES-00	OMB-01	OPIC-01	PA-00	PM-00	PRS-00	ACE-00
	P-00	SP-00	IRM-00	SSO-00	STR-00	TRSE-00	USIE-00
	EPAE-00	PMB-00	DSCC-00	PRM-00	DRL-02	G-00	NFAT-00
	SAS-00	/010W					

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O 062253Z DEC 02
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC IMMEDIATE 8872
INFO OPEC COLLECTIVE

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AMEMBASSY BOGOTA
AMEMBASSY BRASILIA
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY MEXICO
AMEMBASSY PORT OF SPAIN
AMEMBASSY QUITO
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C O N F I D E N T I A L SECTION 02 OF 03 CARACAS 003907

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FIELD, NOW PRODUCING APPROXIMATELY 108,000 B/D, IS STILL
PUMPING, BUT IS NOW FILLING STORAGE INSTEAD OF LOADING
DIRECTLY ONTO A TANKER. COMPANY SOURCES BELIEVE A TANKER IS
ANCHORED IN LAKE MARACAIBO AWAITING INSTRUCTIONS TO LOAD, BUT
TUGBOATS ARE REFUSING SERVICE.

6. (C) PRODUCTION IN THE EASTERN PRODUCTION AREA IS ALSO
BEING SHUT IN. [REDACTED]
WHICH OPERATES [REDACTED] REPORTS
THAT TWO OF ITS PLANTS ARE SHUT DOWN AND THE THIRD IS WINDING
DOWN OPERATIONS. HE ESTIMATES THAT 600-800,000 BARRELS OF
OIL PRODUCTION HAVE BEEN SHUT IN IN THE EAST ON DECEMBER 6.

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[REDACTED] INFORMED US THAT PRODUCTION AT THEIR
EXTRA-HEAVY CRUDE [REDACTED] HAS CEASED BECAUSE PDVSA HAS
FAILED TO PROVIDE THE DILUENT NEEDED TO TRANSPORT THE CRUDE
THROUGH THE PIPELINE. [REDACTED] TELLS US THAT OPERATIONS AT
CERRO NEGRO, ITS EXTRA-HEAVY CRUDE PROJECT, CONTINUE, BUT IT
IS EXAMINING THE STORAGE SITUATION.

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REFINING

7. (C) THE PARAGUANA AND PUERTO LA CRUZ REFINING COMPLEXES
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HAVE SHUT DOWN DUE TO THE COMBINED LACK OF SUPPLY AND THE
WORK STOPPAGE BY EMPLOYEES AT ALL LEVELS. PRODUCT STORAGE
TANKS ARE FULL. THE EL PALITO REFINERY, WHICH HAS BEEN
OPERATING AT A LOW LEVEL, HAS REPORTEDLY BEGUN SHUTDOWN
PROCEDURES DUE TO LACK OF STORAGE FOR PRODUCTS AND ALSO
BECAUSE OF LACK OF REPLACEMENTS FOR OPERATING PERSONNEL.

SHIPPING DELAYS

8. (C) [REDACTED]

[REDACTED] INFORMED ECONOFF THAT ONE TANKER,
CARRYING ABOUT 636,000 BARRELS OF HEAVY OIL BOUND FOR TEXAS,
IS DUE TO SAIL FROM GUARAGUAO PORT (PUERTO LA CRUZ) THE NIGHT
OF DECEMBER 6. A TANKER OF FUEL OIL FROM PDVSA FOR CARACAS
ELECTRICITY SUPPLIER ELECTRICIDAD DE CARACAS WAS ALSO
DELIVERED ON DECEMBER 6. NO OTHER CARRIERS ARE LOADING AT
THIS TIME AND AT LEAST 23 VESSELS ARE CURRENTLY WAITING TO BE
ALLOWED TO ENTER TERMINALS FOR LOADING (PARAGUANA) 4
VESSELS ANCHORED; PUERTO LA CRUZ) 6; JOSE TERMINAL) 4;
LAKE MARACAIBO) 9 VESSELS, 3 EACH AT PUERTO MIRANDA, LAS
SALINAS, AND BAJO GRANDE. THREE MORE VESSELS ARE SCHEDULED
TO ARRIVE AT THE JOSE COMPLEX ON DECEMBER 7.)

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DOMESTIC FUELS MARKET

9. (C) THE SHIPPING WHICH NORMALLY CARRIES GASOLINE FOR THE
VENEZUELAN DOMESTIC MARKET IS ON STRIKE WITH NO PLANS TO LIFT
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OR DISCHARGE FUEL. (NOTE: THE &PILIN LEON,8 THE FIRST OF
THE PDVSA TANKERS TO GO ON STRIKE, IS REPORTEDLY STILL
LOCATED NEAR THE MOUTH OF THE LAKE MARACAIBO SHIPPING
CHANNEL. IT IS LOADED WITH GASOLINE DESTINED FOR THE BAJO
GRANDE TERMINAL.) SOURCES IN MARACAIBO REPORT THAT 20-30
PERCENT OF THE SERVICE STATIONS ARE CLOSED, ALTHOUGH THE
MILITARY IS MAKING SOME EFFORT TO TRANSPORT GASOLINE IN THEIR
OWN TRANSPORTS. [REDACTED]

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[REDACTED] THAT ARAGUA AND CARABOBO
STATES RAN OUT OF GASOLINE THE NIGHT OF DECEMBER 5. SUPPLIES
IN CARACAS ARE ALSO AT RISK. HAULERS SUPPLYING CARACAS (AND
INDEED THE REST OF VENEZUELA) ARE REFUSING TO TRANSPORT FUEL
OUT OF FEAR OF ATTACK. [REDACTED]
INFORMED ECONOFF THAT MORE THAN 30 PERCENT OF THE [REDACTED]
NETWORK NATIONWIDE WOULD PROBABLY BE OUT OF SUPPLIES BY THE

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END OF THE DAY, DECEMBER 6.

10. (C) THE FUEL SHORTAGE HAS ALSO AFFECTED AVIATION FUEL. SOURCES CONFIRMED THAT MARACAIBO AIRPORT HAD NO JET FUEL FOR PART OF DECEMBER 6. CARACAS-MARACAIBO FLIGHTS HAVE CONTINUED TO OPERATE BY TAKING ON ENOUGH FUEL AT CARACAS, MAIQUETIA AIRPORT TO MAKE THE ROUND-TRIP. INTERNATIONAL FLIGHTS FROM MAIGUETIA ARE RE-FUELING IN CURACAO. AIRPORTS IN VALENCIA, MATURIN, AND MARGARITA REPORT THAT THEIR FUEL RESERVES ARE REACHING &CRITICALLY LOW LEVELS.8 LOW FLIGHT DEMAND HAS,

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	EXIM-01	E-00	FAAE-00	VC-00	FRB-00	H-01	TEDE-00
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	P-00	SP-00	IRM-00	SSO-00	STR-00	TRSE-00	USIE-00
	EPAE-00	PMB-00	DSCC-00	PRM-00	DRL-02	G-00	NFAT-00
	SAS-00	/010W					

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O 062253Z DEC 02
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC IMMEDIATE 8873
INFO OPEC COLLECTIVE
AMEMBASSY BOGOTA
AMEMBASSY BRASILIA
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY MEXICO
AMEMBASSY PORT OF SPAIN
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HOWEVER, MITIGATED THIS SITUATION.

ONE BRIGHT LIGHT

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